



CANADA SILVER COBALT WORKS INC.
(Formerly Canada Cobalt Works Inc.)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2021 and 2020

(Expressed in Canadian Dollars)

Responsibility for Financial Statements

The accompanying unaudited interim condensed consolidated financial statements of Canada Silver Cobalt Works Inc. for the three months ended March 31, 2021 have been prepared by management in accordance with International Financial Reporting Standards applicable to interim financial statements (see note 2) to the unaudited interim condensed consolidated financial statements. Recognizing that the Company is responsible for both the integrity and objectivity of the unaudited financial statements, management is satisfied that these unaudited interim condensed consolidated financial statements have been fairly presented.

Auditors Involvement

The external auditors of Canada Silver Cobalt Works Inc. have not audited or performed a review of the unaudited interim condensed consolidated financial statements for the three months ended March 31, 2021. The accompanying consolidated financial statements of Canada Cobalt Works Inc. (Formerly Canada Cobalt Works Inc. and Castle Silver Resources Inc.) (the "Company") were prepared by management in accordance with International Financial Reporting Standards. Management acknowledges responsibility for the preparation and presentation of the consolidated financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances. The significant accounting policies of the Company are summarized in note 3 to these interim condensed consolidated financial statements.

CANADA SILVER COBALT WORKS INC.

(Formerly Canada Cobalt Works Inc)

Consolidated Statements of Financial Position
(Unaudited - expressed in Canadian Dollars)

	Notes	As at March 31, 2021	As at December 31, 2020 (audited)
		\$	\$
ASSETS			
Current assets			
Cash		1,547,608	6,421,345
Amounts receivable	4	348,199	1,048,199
Prepaid expenses		86,340	119,632
Short term investments	5	1,575,000	-
Total current assets		3,557,147	7,589,176
Property, plant, and equipment	8	2,034,464	1,774,659
Total assets		5,591,611	9,363,835
EQUITY AND LIABILITIES			
Liabilities			
Current liabilities			
Trade payables and accrued liabilities		422,326	766,695
Total liabilities		422,326	766,695
Equity			
Share capital	9	44,270,655	43,818,244
Reserves	9	8,222,720	8,345,327
Contributed surplus		4,844,479	4,844,479
Deficit		(52,168,569)	(48,410,910)
Total equity		5,169,285	8,597,140
Total equity and liabilities		5,591,611	9,363,835

Nature of Business and Going Concern (Note 1), **Exploration and Evaluation Projects** (Note 7),
Commitments and Contingencies (Note 13) and **Subsequent Events** (Note 14)

APPROVED BY THE BOARD:

"Frank Basa"

Director

"Jacques Monette"

Director

The accompanying notes are an integral part of these consolidated financial statements.

CANADA SILVER COBALT WORKS INC.

(Formerly Canada Cobalt Works Inc)

Interim Consolidated Statements of Loss and Comprehensive Loss
(Unaudited - expressed in Canadian Dollars)

	Notes	March 31, 2021	March 31, 2020
		\$	\$
Expenses			
Exploration and evaluation	7	2,058,307	933,837
Corporate			
Accounting and audit		16,000	10,177
Admin and general expenses		15,963	5,875
Corporate development		60,000	-
Filing costs and shareholders' information		61,121	81,880
Legal fees		7,208	45,287
Marketing and communications		273,130	18,631
Consulting and professional fees		125,043	289,124
Salaries and wages		16,935	11,554
Travel, lodging and food		5,394	19,503
Total corporate expenses		580,794	482,021
Other items			
Other (income) expenses		189,871	(220,488)
Premium on flow-through shares		-	(160,000)
Temiskaming testing laboratory		221,533	-
Unrealized loss on marketable securities	5	618,250	-
Stock-based compensation	9	88,904	433,195
Total other items		1,118,558	52,707
Total expenses		3,757,659	1,468,565
Net loss and comprehensive loss for the period		(3,757,659)	(1,468,565)
Net loss per share – basic and diluted		(0.031)	(0.016)
Weighted average number of shares outstanding basic and diluted		121,401,345	91,721,722

The accompanying notes are an integral part of these consolidated financial statements.

CANADA SILVER COBALT WORKS INC.

(Formerly Canada Cobalt Works Inc.)

Interim Consolidated Statements of Changes in Equity

	Number of Shares	Share Capital	Reserves	Contributed Surplus	Deficit	Total Equity (Deficit)
		\$	\$	\$	\$	\$
Balances, December 31, 2019	90,275,528	29,690,079	3,825,909	4,456,096	(37,455,224)	516,860
Exercise of warrants	2,417,857	1,208,928	-	-	-	1,208,928
Exercise of options	410,000	97,500	-	-	-	97,500
Exercise of warrants – book value	-	285,307	(285,307)	-	-	-
Exercise of options – book value	-	97,650	(97,650)	-	-	-
Options and warrants cancelled or expired	-	-	(130,200)	130,200	-	-
Stock-based compensation	-	-	433,195	-	-	433,195
Net loss for the period	-	-	-	-	(1,468,565)	(1,468,565)
Balances, March 31, 2020	93,103,385	31,379,464	3,745,947	4,586,296	(38,923,789)	787,918
Private placements	21,858,929	9,497,491	3,183,629	-	-	12,681,120
Exercise of warrants	703,103	325,493	-	-	-	325,493
Exercise of options	1,500,000	384,500	-	-	-	384,500
Exercise of warrants –book value	-	47,145	(47,145)	-	-	-
Exercise of options – book value	-	408,952	(408,952)	-	-	-
Options and warrants cancelled or expired	-	-	(258,103)	258,103	-	-
Issued for equipment and exploration and evaluation projects	3,751,647	2,239,275	1,505,873	-	-	3,745,148
Stock-based compensation	-	-	506,533	-	-	506,533
Share issue costs	-	(464,076)	117,625	-	-	(346,451)
Net loss for the period	-	-	-	-	(9,487,121)	(9,487,121)
Balances, December 31, 2020	120,917,064	43,818,244	8,345,327	4,844,479	(48,410,910)	8,597,140
Exercise of warrants	15,000	8,250	-	-	-	8,250
Exercise of options	878,000	232,650	-	-	-	232,650
Exercise of warrants –book value	-	1,140	(1,140)	-	-	-
Exercise of options – book value	-	210,371	(210,371)	-	-	-
Stock-based compensation	-	-	88,904	-	-	88,904
Net loss for the period	-	-	-	-	(3,757,659)	(3,757,659)
Balances, March 31, 2021	120,810,064	44,270,655	8,222,720	4,844,479	(52,168,569)	5,169,285

The accompanying notes are an integral part of these consolidated financial statements.

CANADA COBALT WORKS INC.
(Formerly Canada Cobalt Works Inc)
Consolidated Statements of Cash Flows
For the three months ended March 31, 2021 and 2020
(Unaudited - expressed in Canadian Dollars)

	Notes	March 31, 2021 \$	March 31, 2020 \$
OPERATING ACTIVITIES			
Loss before tax		(3,757,659)	(1,468,565)
Adjustments for:			
Amortization		69,202	18,333
Premium on flow-through shares		-	(160,000)
Recovery of amounts receivable written off		-	(140,740)
Stock-based compensation	9	88,904	433,195
Sale of RE-2OX process		-	(73,748)
Unrealized loss on marketable securities	5	618,250	-
Operating cash flows before movements in working capital			
(Increase) decrease in amounts receivable		700,000	17,598
(Increase) in deposits		-	(125,360)
(Increase) in prepaid expenses		33,292	50,000
Increase (decrease) in current liabilities		(344,369)	(122,751)
Cash used in operating activities		(2,592,380)	(1,572,038)
INVESTING ACTIVITIES			
Purchase of property, plant, and equipment		(329,007)	-
Purchase of marketable securities	5	(2,193,250)	-
Cash used in investing activities		(2,522,257)	-
FINANCING ACTIVITIES			
Option and warrant exercise		240,900	1,306,428
Cash from financing activities		240,900	1,306,428
Decrease in cash		(4,873,737)	(265,610)
Cash – beginning of period		6,421,345	685,716
Cash – end of period		1,547,608	420,106

The accompanying notes are an integral part of these consolidated financial statements.

CANADA SILVER COBALT WORKS INC.
(Formerly Canada Cobalt Works Inc.)
Notes to the Consolidated Financial Statements
March 31, 2021 and 2020
(Unaudited - expressed in Canadian Dollars)

1. NATURE OF BUSINESS AND GOING CONCERN

Nature of business

Canada Silver Cobalt Works Inc. ("CCM" or the "Company") was incorporated on April 29, 2005 pursuant to the Canada Business Corporations Act. The address of the Company's head office is 3028 Quadra Court, Coquitlam, BC V3B 5X6. CCM's principal business activities are the acquisition, evaluation, exploration and development of mineral properties. To date, the Company has not realized any revenues from its properties.

These consolidated financial statements were approved by the Board of Directors on May 27, 2021.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and evaluation activities, and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements, government licensing requirements or regulations, social licensing requirements, non-compliance with regulatory and environmental requirements and aboriginal land claims.

Going concern

As at March 31, 2021, the Company had not yet achieved profitable operations, had a working capital balance of \$3,134,821 (2020: \$439,587). For the period ended March 31, 2021 the Company incurred a net loss of \$3,757,659 (2020: \$1,468,565), had cash outflow from operations of \$2,592,380 (2020: \$1,572,038), had accumulated losses of \$52,168,569 (2020: \$38,923,789) and expects to incur future losses in the development of its business. These items represent material uncertainties which cast significant doubt about the ability of the Company to continue as a going concern. The Company is in the process of exploring its properties and has not yet determined whether these properties contain economically recoverable reserves. The continued operations of the Company are dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the financing to complete the necessary exploration and development of such property and upon attaining future profitable production or proceeds from disposition of the properties. Management is actively pursuing additional sources of financing, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future.

These consolidated financial statements have been prepared on a going concern basis and do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

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Since January 1, 2020, the outbreak of the novel coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company, or on its ability to raise capital to fund exploration and operations, in future periods. While the Company has not been significantly impacted by the COVID-19 outbreak, it is not possible to reliably estimate the ongoing effect on the Company.

2. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE

Statement of Compliance

These interim condensed consolidated financial statements have been prepared in accordance with IFRS applicable to the preparation of interim financial statements, including IAS 34, as required by National Instrument 52-107 sec. 3.2(1)(b)(ii), and do not include all the information required for full annual financial statements by International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standard Board ("IASB").

These interim condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2020 which includes the information necessary or useful to understanding the Company's business and financial statement presentation.

Basis of presentation and functional currency

These consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that have been measured at fair value. The consolidated financial statements have been presented on an accrual basis except for cash flow information. The presentation and functional currency of the Company and its subsidiary is the Canadian dollar.

Significant accounting estimates and judgments

The preparation of these consolidated financial statements requires management to make judgments and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these judgments and estimates. The consolidated financial statements include judgments and estimates which, by their nature, are uncertain. The impacts of such judgments and estimates are pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in future periods when the revision affects both current and future periods.

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In the process of applying the Company's accounting policies, management has made the same judgments, estimates, and assumptions which were set out in the Company's audited financial statements for the year ended December 31, 2020.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out in the Company's audited financial statements for the year ended December 31, 2020 have been applied consistently to these interim condensed consolidated financial statements.

4. AMOUNTS RECEIVABLE

The Company's amounts receivable are comprised of the following:

	March 31, 2020	December 31, 2020
Due from Granada Gold Mine Inc.	\$ 98,287	\$ 798,287
Sales tax receivable	249,912	249,912
Total	\$ 348,199	\$ 1,048,199

5. SHORT-TERM INVESTMENTS

The Company's available-for-sale investments are comprised of the following:

	As at March 31, 2021	
	Cost	Fair Value
Granada Gold Mine Inc. 10,500,000 shares	\$ 2,193,250	\$ 1,575,000
Total short-term investments	2,193,250	1,575,000

During the period ended March 31, 2021 the Company acquired 10,500,000 shares of Granada Gold Mine Inc. ("Granada"), a related party with which there are four common directors and three common officers. 500,000 shares were acquired on secondary markets between February 5 and February 9, 2021 at prices between \$0.18 and \$0.20 per share. 5,000,000 units were acquired through a private placement on February 23, 2021 at \$0.20 per unit. Each unit comprising one common share of the Granada and one share purchase warrant. Each whole warrant entitling the Company to purchase one additional common share of Granada at an exercise price of \$0.22 per share for a period of three years from closing. 5,000,000 shares were acquired through the exercise of 5,000,000 common share purchase warrants at an exercise price of \$0.22 per warrant.

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6. ASSET ACQUISITION

On July 31, 2020, the Company acquired the assets of PolyMet Resources Inc. ("PolyMet"), consisting primarily of an assay laboratory and bulk sampling plant located in Cobalt, Ontario. The asset acquisition was affected through Temiskaming Testing Laboratories Inc., a wholly-owned subsidiary of CCM. In payment for the assets, CCM issued 690,409 common shares and 690,409 common share purchase warrants to PolyMet. Each warrant entitles PolyMet to acquire one additional common share of CCM at a price of \$0.50 for a period of two years. CCM also assumed outstanding liabilities of PolyMet in an amount of \$346,304.

Total consideration paid:

Assumption of accounts Payable	\$346,304
Common shares	\$407,341
Warrants	\$212,370
Transaction costs	\$98,182
Total	\$1,064,197

The purchase price has been allocated to the value of the land, and the plant (machinery and equipment) acquired as follows:

Land	\$210,312
Machinery and Equipment	\$853,885
Total	\$1,064,197

7. EXPLORATION AND EVALUATION PROJECTS

Castle Silver Mine Project, Ontario

CCM holds a 100% interest in certain claims and parcels located in the Haultain and Nicol townships of Ontario. The property is subject to a sliding scale royalty on silver production which will start from 3% when the price of silver is US\$15 or lower per troy ounce and up to 5% when the price of silver is greater than US\$30 per troy ounce and a 5% gross overriding royalty on the sale of products derived from the property with a minimum annual payment of \$15,000 in the form of royalties on all future production from the property and a 1% NSR.

Castle East Property, Ontario

On July 10, 2020, CCM entered into a Purchase and Sale Agreement with Granada, a related party with which there are four common directors and three common officers, pursuant to which the Company repurchased from Granada a back-in option on five mining leases at Castle East, forming part of the Castle mine property near Gowganda, Ontario. In payment, CCM issued 2,941,000 common shares to Granada. Each of the shares were accompanied by one common share purchase warrant. Each warrant entitles Granada to acquire one additional common share of CCM for \$0.55 for a period of five years. The common shares issued were valued at \$1,764,600 based on a common share price of \$0.55, and the common share purchase warrants were valued at \$1,293,503 for total consideration

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of \$3,058,103. The warrants value is based on the Black Scholes option pricing model, using the following assumptions: share price of \$0.55, an average exercise price of \$0.55, risk free interest rate of 0.38%, expected life of warrants of 5 years, expected volatility rate of 114%, and expected dividend rate of 0%.

Beaver Property, Ontario

The Company holds a 100% interest in the Beaver and Violet cobalt and silver properties located in the township of Coleman, in northern Ontario, which are subject to a 3% NSR royalty. Each 1% can be purchased for \$1,500,000.

B2 Property, Quebec

On October 30, 2020, the Company entered into an option agreement with MagNor Resources ("MagNor") dated October 26, 2020 whereby CCM may earn an undivided 100% interest, subject to a 2% NSR, in MagNor's B2 property, of which 1% can be repurchased for \$1,400,000. The property has 12 claims. Pursuant to the terms of the agreement, the Company may exercise the option with MagNor as follows:

- On closing, making a payment of \$62,500 - (120,238 shares were issued on November 9, 2020 to fulfill this obligation);
- 24 months from closing, making a payment of \$62,500;
- 36 months from closing, making a payment of \$62,500; and
- 36 months from closing, incurring an aggregate of \$100,000 in exploration expenditures on the Ni Cu property

Each of the payments to MagNor can be made in cash or through the issuance of the Company's common shares at a price per common share equal to the volume weighted average trading price of the Company's shares on the TSX Venture Exchange for the ten (10) trading days immediately preceding the issue date, at the option of the Company.

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8. PROPERTY, PLANT, AND EQUIPMENT

	Land	Building, machinery & equipment	Vehicles	Total
	\$	\$	\$	\$
COST				
As at January 1, 2020	-	398,589	-	398,589
Additions	210,312	1,198,301	211,988	1,620,601
As at December 31, 2020	210,312	1,596,890	211,988	2,019,190
Additions	-	329,005	-	329,005
As at March 31, 2020	210,312	1,925,895	211,988	2,348,194
ACCUMULATED AMORTIZATION				
As at January 1, 2020	-	111,252	-	111,252
Accumulated amortization	-	117,382	15,895	133,277
As at December 31, 2020	-	228,634	15,895	111,252
Accumulated amortization	-	54,495	14,707	69,202
As at December 31, 2020	-	283,129	30,602	313,730
NET BOOK VALUE				
As at January 1, 2020	-	287,337	-	287,337
As at December 31, 2020	210,312	1,368,254	196,093	1,774,659
As at December 31, 2020	210,312	1,642,766	181,386	2,034,464

Equipment with a total cost of \$nil (full-year 2020 – \$196,696) was purchased during the period ended March 31, 2021 from companies controlled by the CEO of the Company, who is also a director of the Company. Equipment with a total cost of \$nil (full-year 2020: \$131,970) was purchased during the period ended March 31, 2021 from Granada, a related party with which there are four common directors and three common officers.

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9. SHARE CAPITAL

9.1 Authorized share capital

The Company has an authorized share capital of an unlimited number of shares with no par value.

As at March 31, 2021, the Company had 121,810,064 common shares issued and outstanding (March 31, 2020: 93,185,655).

9.2 Share issuance

a). Private Placements

1. On June 15, 2020, the Company closed a flow-through private placement with strategic investors, raising gross proceeds of \$1,200,000 by issuing 2,000,000 units at \$0.60 per FT Unit. Each FT Unit comprises one flow-through common share of the Company and one half of one share purchase warrant. Each whole warrant will entitle the holder thereof to purchase one additional common share of the Company at an exercise price of \$0.70 per share, for a period of two years from closing. In connection with the private placement the Company paid finder fees in the amount of \$94,000 and issued 156,665 finder warrants. The finder warrants are on the same terms as the financing warrants and have been recorded at an estimated value of \$40,031, based on the Black Scholes option pricing model, using the following assumptions: share price of \$0.50, an exercise price of \$0.70, risk free interest rate of 0.29%, expected life of warrants of 2 years, expected volatility rate of 93% and expected dividend rate of 0%.
2. Between August 14 and September 2, 2020, the Company closed a non-brokered private placement financing, raising gross proceeds of \$6,743,730 by the issue of 12,261,327 units at \$0.55 per unit. Each unit is comprised of one common share of the Company and one common share purchase warrant. Each warrant will entitle the holder thereof to purchase one additional common share of the Company at an exercise price of \$0.65 per share, for a period of three years from closing. Finder fees in the amount of \$123,148 and the issuance of 223,904 finder warrants were paid in connection with the private placement. The finder warrants are on the same terms as the financing warrants and have been recorded at an estimated value of \$40,453, based on the Black Scholes option pricing model, using the following assumptions: share price of \$0.37, an average exercise price of \$0.65, risk free interest rate of 0.28%, expected life of warrants of 3 years, expected volatility rate of 98% and expected dividend rate of 0%. Related parties participated in the financing for a total of \$109,012 of the proceeds.
3. On November 25, 2020, the Company closed a non-brokered FT private placement by way of issuing 4,288,778 FT units at a price of \$0.63 per FT unit raising gross proceeds of \$2,701,930. The Company also issued 3,308,824 Quebec FT units at a price of \$0.68 per Quebec FT Unit raising gross proceeds \$2,250,000. The Company raised a total of \$4,951,930. Each FT unit and Quebec FT unit is comprised of one flow-through common

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share of the Company and one half of a share purchase warrant. Each whole warrant will entitle the holder thereof to purchase one additional common share of the Company at an exercise price of \$0.80 per share, for a period of two years from closing. Finder fees in the amount of \$129,304 and the issuance of 198,533 finder warrants were paid in connection with the FT and Quebec FT private placement. The finder warrants are on the same terms as the financing warrants and have been recorded at an estimated value of \$37,141, based on the Black Scholes option pricing model, using the following assumptions: share price of \$0.53, an exercise price of \$0.80, risk free interest rate of 0.27%, expected life of warrants of 2 years, expected volatility rate of 87% and expected dividend rate of 0%.

b). Exercise of Options

During the period ended March 31, 2021, the Company issued 878,000 common shares related to the exercise of 878,000 stock options at an exercise price between \$0.05 to \$0.45 per share, for total consideration of \$232,650.

c). Exercise of Warrants

During the period ended March 31, 2021, the Company issued 15,000 common shares related to the exercise of 15,000 warrants at an exercise price of \$0.55 per share, for total consideration of \$8,250.

d). Other

During the period ended March 31, 2021 there were no common shares issued by the Company other than for the exercise of options and warrants.

9.3 Stock Option Plan

The Company has in place a stock option plan (the "Plan") under which officers, directors, employees and consultants are eligible to receive incentive stock options.

The aggregate number of common shares reserved for issuance under the Plan and common shares reserved for issuance under any other share compensation arrangement granted or made available by the Company from time to time may not exceed in aggregate 10% of the Company's common shares issued and outstanding at the time of grant. The term of any options granted under the Plan will be fixed by the Board of Directors and may not exceed ten years, but so long as the Company remains a "Tier 2" issuer under the policies of the Toronto Stock Exchange, options may not exceed a term of five years. The exercise price of options granted under the Plan will be determined by the Board of Directors, provided that it is not lower than the fair market value of the option shares on the date of the grant of the option.

The terms of the plan are as follows:

- (i) the maximum number of shares that can be received by a beneficiary during any 12 month period is limited to 5% of issued and outstanding shares;
- (ii) the maximum number of shares that can be reserved for a consultant during any

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- 12 month period is limited to a 2% of issued and outstanding shares; and
- (iii) the maximum number of shares that can be reserved for a supplier of investor relations services during any 12-month period is limited to 2% of issued and outstanding shares; moreover, the options granted may be exercised on a 12 month period after the grant, at the rate of 25% per quarter.

The following is a summary of the changes in the Company's stock option activities for the period ended March 31, 2021 and year ended December 31, 2020:

	March 31, 2021		December 31, 2020	
	Number of options	Weighted-average exercise price	Number of options	Weighted-average exercise price
Outstanding, beginning of year	9,351,000	\$ 0.343	8,073,000	\$ 0.322
Granted	250,000	0.350	3,288,000	0.370
Exercised	(878,000)	0.274	(1,910,000)	0.252
Expired	-	-	(100,000)	0.520
Outstanding, end of period/year	8,723,000	0.351	9,351,000	0.343
Exercisable, end of period/year	8,723,000	0.351	9,351,000	0.343

The following table summarizes information regarding stock options outstanding and exercisable as at March 31, 2021:

Exercise price	Number of options outstanding	Number of options exercisable	Weighted-average remaining contractual life (years)	Weighted-average exercise price
Options				
\$0.050 - \$0.200	510,000	510,000	1.21	0.152
\$0.210 - \$0.300	4,250,000	4,250,000	2.09	0.286
\$0.310 - \$0.400	1,500,000	1,500,000	3.31	0.333
\$0.410 - \$0.700	2,463,000	2,463,000	3.94	0.513
Total	8,723,000	8,723,000	2.77	0.351

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The weighted average fair value of the options granted during the period ended March 31, 2021 was estimated at \$0.356 per option (full-year 2020: \$0.286) at the grant date using the Black-Scholes option pricing model. The weighted average assumptions used for the calculation were:

	March 31, 2021	December 31, 2020
Risk free interest rate	0.92%	0.54%
Expected life	5 years	3.5 years
Expected volatility	115.45%	102.77%
Expected dividend per share	-	-

Expected volatility was calculated using historical daily closing share prices for the Company's common shares using the same time period as the life of the option.

9.4 Share purchase warrants

The following is a summary of the changes in the Company's share purchase warrants for the period ended March 31, 2021 and year ended December 31, 2020:

	March 31, 2021		December 31, 2020	
	Number of warrants	Weighted- average exercise price	Number of warrants	Weighted- average exercise price
Outstanding, beginning of period/year	21,187,793	\$ 0.634	10,126,856	\$ 0.570
Granted	-	-	21,270,638	0.662
Exercised	(15,000)	0.550	(3,038,690)	0.505
Expired	-	-	(1,171,011)	0.740
Outstanding, end of period/year	27,172,793	0.634	27,187,793	0.634

During the period ended March 31, 2021, the Company issued no share purchase warrants.

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The following table summarizes information regarding share purchase warrants outstanding and exercisable as at March 31, 2021:

Exercise price	Number of warrants outstanding	Weighted-average remaining contractual life (years)	Weighted-average exercise price
\$0.50	2,876,493	0.67	\$0.50
\$0.55	6,657,071	2.24	\$0.55
\$0.65	12,485,231	2.40	\$0.65
\$0.70	1,156,665	1.21	\$0.70
\$0.80	3,997,333	1.65	\$0.80
Total	27,172,793	2.02	\$0.634

10. RELATED PARTY TRANSACTIONS

The Company has entered into agreements with officers of the Company and private companies controlled by officers and directors of the Company for management consulting, geological consulting and other services required by the Company.

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

The remuneration of officers and directors of the Company for the period ended March 31, 2021 was \$156,552 (2020 - \$135,514) and share based payments valued at \$nil (2020 - \$196,950).

There were no Directors' fees paid to members of the Board of Directors for the periods ended March 31, 2021 and 2020.

During the period ended March 31, 2021 the Company received repayment of \$700,000 advanced to Granada, a related party with which there are four common directors and three common officers.

As at March 31, 2021, there was \$8,927 of amounts payable to Granada (2020 - \$nil).

During the period ended March 31, 2021 the Company acquired 10,500,000 shares of Granada. 500,000 shares were acquired on secondary markets between February 5 and February 9, 2021 at prices between \$0.18 and \$0.20 per share. 5,000,000 units were acquired through a private placement on February 23, 2021 at \$0.20 per unit. Each unit comprising one common share of the Granada and one share purchase warrant. Each whole warrant entitling the Company to purchase one additional common share of Granada at an exercise price of \$0.22 per share for a period of three years from closing. 5,000,000 shares were acquired through the exercise of 5,000,000 common share purchase warrants at an exercise price of \$0.22 per warrant.

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11. CAPITAL MANAGEMENT

The Company's Capital Management policies set out in the Company's audited financial statements for the year ended December 31, 2020 have been applied consistently for the period ended March 31, 2021.

12. FINANCIAL INSTRUMENTS AND RISK FACTORS

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit Risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company is exposed to credit risk on its cash and amounts receivable. The Company has deposited its cash with reputable financial institutions, from which management believes the risk of loss is minimized. As at March 31, 2021 and 2020 cash was held with major Canadian financial institutions. Management believes that the risk of loss from amounts receivable is low. See Note 4.

Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company is regularly seeking equity financing as indicated in Note 1. There can be no assurance that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. If additional financing is raised by the issuance of shares from the treasury of the Company, existing shareholders ownership may be diluted.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and commodity and equity prices.

(a) Interest rate risk

The Company is not exposed to interest rate risk as it does not have interest bearing debt.

(b) Commodity price risk

The ability of the Company to develop its mineral properties and the future profitability of the Company is directly related to the market prices of silver, cobalt and nickel.

Currency Risk

As the Company transacts business in Canadian dollars, there is minimal foreign currency risk at March 31, 2021 and 2020.

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13. COMMITMENTS AND CONTINGENCIES

(a) Environmental Contingencies

The Company's exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

(b) Flow-Through Shares

The Company has indemnified the subscribers of current and previous flow-through share offerings against any tax related amounts that may become payable by the subscribers as a result of the Company not meeting this expenditure commitment. As at March 31, 2021 the Company has a remaining commitment to incur \$2,678,463 of expenses as required under the flow-through share offerings during 2020. These expenses must be incurred prior to December 31, 2021.

(c) Management Contracts

The Company is party to multiple management contracts. Upon the occurrence of certain events such as a change in control, the contract requires payment of up to \$604,000. As a triggering event has not taken place, the contingent payment has not been reflected in these financial statements.

The Company has entered into a Memorandum of Understanding ("MOU") with the Matachewan First Nation community in connection with certain exploration and evaluation programs in their area; to support the engagement process, 2% of the exploration costs are provided to the First Nation, calculated and paid on an annual basis following the end of the calendar year.

In addition, the Company has entered into a second MOU with both Temagami First Nation and Teme-Augama Nation to provide a framework process for consultation during the life of the project.

The MOUs also include terms outlining environmental protection, employment, training and business opportunities, and mitigation of impacts on the traditional pursuits of the members of the First Nation communities.

14. SUBSEQUENT EVENTS

Since April 1, 2021, the Company has issued 90,000 common shares for the exercise of 90,000 stock options for total proceeds of \$4,500.

On April 1, 2021, the Company announced that Mr. Ryan Webster has been appointed as Chief Financial Officer of the Company, replacing the Company's interim CFO, Mr. Robert Guanzon.

On April 7, 2021, the Company has closed a non-brokered private placement by way of issuing 2,021,276 FT units at a price of \$0.47 per FT unit raising gross proceeds of \$950,000. Each FT

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unit is comprised of one flow-through common share of the Company and one half of one share purchase warrant. Each whole warrant will entitle the holder thereof to purchase one additional common share of the Company at an exercise price of \$0.58 per share, for a period of two years from closing, subject to TSX Venture Exchange (“Exchange”) approval.

The Company has paid finder fees in the amount of \$66,500 and issued 141,490 finder warrants in connection with the FT private placement. The finder warrants are on the same terms as the financing warrants. The finder fees are subject to Exchange approval.

All securities issued in connection with the private placement will be subject to a four month and a day hold period expiring on August 8, 2021 in accordance with applicable Canadian Securities Laws.